

ERIC P. NEWMAN NUMISMATIC EDUCATION SOCIETY

Federal Reserve Bank of Philadelphia
Ten Independence Mall
Philadelphia, PA 19106-1574

February 14, 2006

You were kind enough to send me a brochure announcing a lecture by Professor Grubb of the University of Delaware on March 30, 2006 to continue to celebrate Franklin's 300th birthday.

The subject of Franklin's paper money activity is one of my favorite topics and I even gave a lecture on that subject at the American Philosophical Society 35 years ago. I would like you to send a copy of this letter to Professor Grubb and enclose an extra copy for you to do so.

I am interested in obtaining a copy of the talk before or after the lecture. I will gladly furnish Prof. Grubb any data he does not already have. It so happens that I am beginning to edit the 5th edition of my book The Early Paper Money of America including Franklin's paper money and would want to add any new findings.

I want to be sure this is agreeable with you rather than make a contact with Professor Grubb first. Unfortunately, I will not be able to attend.

Sincerely,



Eric P. Newman

Subj: Ben Franklin's Birthday
 Date: 03/13/2006 9:39:47 A.M. Central Standard Time
 From: [REDACTED]
 To: [REDACTED]

Dear Eric,

Received your letter via the Philadelphia Federal Reserve the other day and was delighted to hear from you.

I will not have a formal paper for my talk on March 30th (I tend to do stand-up free-form from memory when I present talks), but I hope to develop a formal paper out of it through the later spring and summer and will send you a copy when I get a good working paper version together.

I have made judicious use of you're *The Early Paper Money of America* (4th edn. which I bought) and an article you wrote back in 1956 on Franklin and the Bank of North America for the *Numismatist*—most useful. I'm not a numismatist or a Franklin expert (more of a monetary economist, economic historian) and so have been scrambling to learn as much as I can.

My talk will only touch briefly on numismatist issues. I am more interested in Franklin's evolving philosophy (as can be derived from his writings) over how the colonial monetary system worked—mostly relying on Franklin's own body of writings. I cannot say have I discovered anything earth-shatteringly new yet, except maybe that I think Franklin may have borrowed from and extended the argument over land backed paper money systems in his 1729 pamphlet from John Law's 1705 pamphlet that was reprinted in 1720. [To be added to Franklin's use of Sir Petty's 1664 treatise in that work.]

Mostly I will work on the themes of how Franklin was in a way there at the beginning of the first great system of paper money in America (legislative based paper money issuances) and there at the end of this system at the Constitutional Convention where the PA delegation led the charge to ban state and Federal issuances of bills of credit and so set the stage for the ascendance of the second great system of paper money—the bank based system we still have today. I will focus on how Franklin thought about the necessity of paper money (the alternative was barter), and its ramifications on economic growth, on what gave paper money value—the legal tender issue through 1764, on the natural equilibrating nature in a land-backed paper money system, his ideas for a new world-wide system set up by the British (and why he could not pursue this), and then about his thoughts on the inflation of the Continental Dollar and his activities with the Bank of North America leading into the Constitutional Convention.

As far as we know, we do not know how Franklin voted at the 1787 Convention on the key money issues. I've seen scholars say he must have voted "no" all these issues and others say he must have voted "yes" on these issues (voting whether to remove the power to emit bills of credit from the Federal powers, and voting to make the ban on state bills of credit absolute). I personally think he probably went along with the rest of the PA delegation in banning all legislative paper money. If you have any idea how he may have voted on say, I would love to hear it.

Anyway, that is a brief sketch of what I will do in a 45 minutes talk!!! Any suggestions would be most welcome.

Sincerely,

Farley

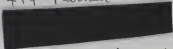
Farley Grubb, Professor and NBER Research Associate
 Economics Department
 University of Delaware
 Newark, DE 19716
 USA

Monday, March 13, 2006 America Online

ERIC P. NEWMAN NUMISMATIC EDUCATION SOCIETY

6450 Cecil Avenue, St. Louis, Missouri 63105

May 16, 2006

Prof. Farley Grubb
419 Purnell Hall


What an erudite and delightful program you gave on Franklin at the Fed Reserve on the American paper money economy. It is so refreshing to see that phase of his life emphasized in view of the fact that similar matters are going on today.

When you point out that no one seems to know how Franklin voted at the Constitutional Convention I am sure that he was supposed to vote for a restriction on Federal paper money and State paper money but knew very well that the Bank of North America had public funds and private funds being used to support its paper money. He apparently knew he was leaving the matter to be determined in the future after the economy of US was in better shape.

I am working on the 5th edition of the Early Paper Money of America to be published in December 2006 and will put further emphasis on some of the thoughts you presented. Thank you for sending me your presentation.

Leo LeMay is a friend of mine for decades.
My best to you

Eric Newman

Wednesday, November 08, 2006 America Online:

Subj: [REDACTED]
Date: 11/8/2006 7:04:48 PM Central Standard Time
From: [REDACTED]
To: [REDACTED]@org

Dear Ms. Burke:

We are glad to give you the permission you requested for use of images from our EARLY PAPER MONEY OF AMERICA. I assume you will send us a copy of your publication but would appreciate two of them, one for our library and one for lending to others. It is such a fine presentation that we are proud to be a part.

Eric P. Newman Numismatic Education Society
by Eric P. Newman, president

Sally Burke
Manager, Publications & Editorial Services
Federal Reserve Bank of Philadelphia

Thank you in advance for your help.

May we have your permission to use the attached images in our publication of Professor Grubb's lecture?

I'm writing on behalf of Professor Farley Grubb and the Federal Reserve Bank of Philadelphia. The Philadelphia Fed is going to publish a short essay, written by Professor Grubb and based on a lecture he gave here at the Bank earlier this year. The publication is titled "Benjamin Franklin and the Birth of a Paper Money Economy." We would like to include in our publication images of paper money, which Professor Grubb says are originally from your publication "The Early Paper Money of America." The Fed's publication will be used as an educational tool for teachers and students in economic education courses and for the general public. There will be no charge for the Bank's publication.

Dear Mr. Newman:

Subj: [REDACTED]
Date: 11/8/2006 1:34:24 PM Central Standard Time
From: [REDACTED]
To: [REDACTED]

Wednesday, November 08, 2006 America Online:



ALFRED LERNER COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF ECONOMICS

Purnell Hall
University of Delaware
Newark, Delaware 19716-2720
www.lerner.udel.edu/economics/
Fax: 302/831-6968
Writer's Guest Number,

Dear Eric,

1/10/07

The Federal Reserve Bank of Philadelphia just published my piece [as a glossy 12 page pamphlet] on "Benjamin Franklin and the Birth of a Paper Money Economy".

I want to thank you for allowing them to reproduce some of the money pictures appearing therein.

I have enclosed a hard copy for you.

The direct web link (free download) is at:

<http://www.philadelphiafed.org/education/index.html#publications>

And right now (1/9/07) it is also still featured on their home page at:

<http://www.philadelphiafed.org/>

You can also obtain more free hard copies via snail-mail by writing to [Public Affairs 141, FRB Philadelphia, 10 Independence Mall, Philadelphia, PA 19106] and so requesting a hard copy.

For those teaching financial or monetary economic history it might be a useful and fun source (and cheap source) for your students to read.

Sincerely,

A handwritten signature in cursive script, appearing to read "Farley".

Farley Grubb, Professor and NBER Research Associate
Economics Dept.
University of Delaware
Newark, De 19716
USA
grubbf@lerner.udel.edu
<http://myprofile.cos.com/grubbf16>

Eric P. Newman Numismatic Education Society
6450 Cecil Avenue
Saint Louis, Missouri 63105

Jan 28, 2007

Prof Failey Grubb:
University of Delaware

Dear Failey:

Your Benjamin Franklin pamphlet
is a gem.

At our Money Museum at Washington University
in St Louis we have a manuscript of Franklin
explaining his developments in creating
improvements for coins and paper money.

The Federal Reserve Bank of Philadelphia
has sent us copies of your pamphlet.

Whenever we can be of help in American
circulating money please feel free to
ask.

Sincerely

Eric

P.S. Leo LaMay has been a friend
of ours for decades.